



DoD Business Transformation Agency, Defense Business Systems Acquisition Executive

ARCHITECTURE COMPLIANCE USER GUIDE FOR INTRAGOVERNMENTAL (IGT) TRANSACTION SYSTEM

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Version History

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Introduction

Purpose

The Business Transformation Agency's (BTA), Office of the Defense Business Systems Acquisition Executive (DBSAE), issued this guidance to: 1) facilitate or streamline the Investment Review Board (IRB) review process by providing preliminary assessment criteria that determines system capability to support intragovernmental transactions; 2) assist in the BEA certification and assertion process for these transactions; 3) provide a reference source for financial systems analysts, systems accountants, systems developers, program managers (PMs), and others who design, develop, implement, operate, or maintain financial management systems; and 4) facilitate internal validations. The purpose of this document is to assist PMs and other responsible parties in preparing for the IRB certification. This review process determines whether to approve funding based on Department of Defense (DoD) business requirements and the system's alignment with Business Enterprise Architecture (BEA).

Scope

This document is primarily targeted for use by the Component's designated Pre-Certification Authority (PCA) and PMs responsible for maintaining all information related to business systems requiring IRB certification and approval. This includes certifying that a given system and/or initiative complies with the BEA for reimbursable intragovernmental (IGT) transactions. (**Note:** PMs are considered the focal point for providing information about their respective systems and therefore are identified as the central user of this document.) The following intragovernmental transactions are not covered under the scope of this guidance:

- Purchase Cards
- Fuel
- Interfund
- Transportation
- Transfer of Assets
- Transactions with the Defense of Labor (DoL) relating to the Federal Employees' Compensation Act (FECA)
- Transactions with Office of Personnel Management (OPM) relating to health, life and retirement benefits.)

This document does not apply to systems categorized as legacy and is not intended to be used to determine certification approval.

Effective BEA version

The current version of the BEA should be used for architecture assessments. However, there will be instances when a compliance assessment is initiated based on a version of the architecture that is no longer current by the time the certification approval is completed. A compliance assessment may also be initiated immediately after a new major release and the architecture compliance staff may not have had time to fully understand the content of a new BEA release.



Document Overview

Overview

An intragovernmental transaction is any transaction involving sales, services, or transfers within or between two entities of the federal government. These transactions include buy-sell transactions, reimbursable agreements, interagency agreements, asset transfers, and Military Interdepartmental Purchase Requests (MIPRs). (View http://www.dod.mil/dbt/cse_igt.html for more information about intragovernmental transactions.)

The primary goal of the IGT initiative is to define and support the implementation of the requirements that establish common processes, business rules, and data requirements in an enterprise model for intragovernmental transactions. This model shall enable the DoD to:

- Properly account for and support the elimination of intragovernmental transactions from the DoD financial statements
- Improve DoD's ability to deliver accurate, reliable data that enables meaningful, detailed spend analyses
- Enhance visibility into the buying and selling elements of intragovernmental transactions
- Supports proper reporting of accounts payable (A/P) and accounts receivable (A/R)
- Reduces A/P and A/R amounts and aging, and reduces unmatched disbursements.

The current environment in which goods and services are acquired from federal sources (both internal and external to DoD) and the resulting financial procedures present several issues including:

- Absence of uniform procedures,
- Failure to follow established procedures,
- Failure to capture needed transaction-level detail,
- Failure to use common identifiers throughout the process,
- Untimely recording of financial events, and
- Lack of transactions visibility.

Authoritative Guidance

The IGT initiative addresses external reports and major issues identified in August 2001. Intragovernmental transactions and financial eliminations were identified by the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) as a material accounting weakness across the federal government. The GAO Auditor's Report found the following material weakness on the FY 2005 Financial Statements: "The government's inability to adequately account for and reconcile intragovernmental activity and balances between federal agencies."

This refers to the inability of federal reporting entities to match their financial transactions against the opposing transactions of their trading partners (for example, A/P to A/R, or Revenues to Expenses) in order to eliminate them from the federal financial statements. As transactions that occur within the federal government, such transactions must not show a net impact to the overall statements. Any transactions that cannot be eliminated must be reconciled and adjusted. Currently, most reporting entities do not have the ability to make supportable adjustments due to a lack of



supporting data for these transactions. The root causes of this are in the lack of standard data, business rules and visibility of the related transactions.

The following are the Federal drivers that commenced the IGT initiative:

- GAO-defined IGT as a Material Weakness (2001)
- Treasury Department, OMB, and GAO have all identified IGT as a problem area
- OMB Released Business Rules and launched the Intragovernmental Transactions Exchange (IGTE) initiative (2002)
- GAO specifically identified Management of Interagency Contracting as a High-Risk Area (2005)

The following are the DoD Drivers that commenced the IGT initiative:

- DoD Material Weakness (represents \$200B+ in funds management issues)
- “Get It Right” Campaign to properly use Interagency Contracts started by Defense Procurement and Acquisition Policy office (2004)
- Inability to answer the following questions within the DoD BEA:
 - Who are our suppliers and what is the state of our relationship with them?
 - How are we investing our funds to best support the warfighting mission?

These reports also reflect an issue on the Acquisition side, that is, the inability to properly report or manage the purchases government entities make when the Seller is another government entity. The government has limited visibility of and standards around these types of transactions, leaving the door open to potential misuse. At the least, this negatively impacts our ability to track order performance or conduct spend analysis and strategic sourcing activities. Finally, without proper tracking of these transactions, we will not be able to achieve the Department’s overall goal of mapping budgeting to execution of funds.

The BEA 4.1 includes a process model for reimbursable IGT orders that address these issues through establishing high level business rules, data elements, and process steps. Benefits of the new model include:

- Standardized data requirements, including business partner network (BPN) numbers and financial data loading to service to service interoperability
- Data visibility to the detail level
- Streamline the process to standardized the order, order acceptance, billing and the receipt and acceptance process
- Reinforced Generally Accepted Accounting Principles (GAAP) rules for consistent, common accounting practices
- Standardized government supplier engagement via a centralized BPN database

Through implementation of this model, we will be able to achieve the goals established for the program, and part the way for the future. This will provided a fully integrated environment envisioned by the Department.

How to Use the IGT Guide

A major requirement for Components during the IRB certification process is to assert compliance with the BEA. The architecture compliance is defined as adherence to the business processes, controls (Laws, Regulations, and Policies (LRP)), business rules, and data standards for those BEA



operational activities that are supported by the system being assessed. In addition, compliance with specific priority areas, content for which may or may not be fully represented in the BEA, may be required based on a system's operational activities or system functions. (View, <https://btaportal.bta.mil/C10/IRBDBSMCInformation/default.aspx>, for more information about the IRB review process.)

BTA Leadership has designated the Intragovernmental Transactions Initiative as a Priority Content Area in the BEA. Therefore, the IGT Functional Subject Matter Experts (SMEs) will:

- Provide compliance assessment guidance.
- Perform Functional Reviews of submission packages.
- Recommend BEA Compliance related conditions, if appropriate.
- Monitor status of BEA Compliance related conditions.

The purpose of this guide is to assist PMs in determining if the capabilities of their system presented for the IRB review support any aspects of this priority content area. In addition, this guide provides a tool for PMs to systematically target and assert to applicable IGT activities and processes modeled in the BEA and develop a strategy or plan of action to address conditions for non-compliance.

The PCA is required to upload the Component Pre-Certification Letter to the IRB Portal. This signed letter asserts, among other things, that the system complies with the BEA. The PCA and PMs assert their compliance based on identifying and comparing all capabilities of the business system to activities, processes, business rules, and data elements contained in the BEA.

This guide is separated into the following two parts: IGT Questionnaire and IGT Navigational Tool.

IGT Questionnaire:

The IGT Questionnaire is a set of questions to assist PMs to determine if their system's capabilities support specific areas of the IGT reimbursable process. [Click here to review and respond to the questionnaire.](#)

PMs should be familiar with the capabilities of their business system as it supports the following high level areas of the IGT process:

- Documenting sourcing agreement information;
- Creating/processing reimbursable orders;
- Creating/processing bills and/or invoices;
- Reporting disbursing and collections;
- Managing and monitoring contract closeout; and
- Posting related financial transactions.

PMs should review the overview section of the questionnaire that describes the reimbursable process and select either "Yes or No" using the drop-down box after each assessment question. The Comment column is optional and available for additional explanations. A final response of "No" to every question asserts that the capabilities' of the business system is not applicable nor will not exist to perform or support the reimbursable order processes. However, a "Yes" response to any of the questions indicates system supports the reimbursable transactions process. Consequently, the PM would need to assert their system's capabilities against the BEA.



By reviewing and responding to these questions, the PCA and PMs are able to ensure a comprehensive assessment of their system's functions against the BEA.

IGT Navigational Tool:

In April 2007, BTA/DBSAE will introduce an IGT Navigational Tool to direct PMs through the architecture during the BEA compliance process. This tool will pre-identify the relevant BEA activities, processes, etc., that support specific IGT reimbursable processes requiring assessment. It could be used in conjunction with the Architecture Compliance and Requirement Traceability (ACART)¹ or as a separate tool or means for exploring through the architecture. The tool will also identify pertinent system capabilities that should be considered while developing action plans and/or responses towards becoming BEA compliant.

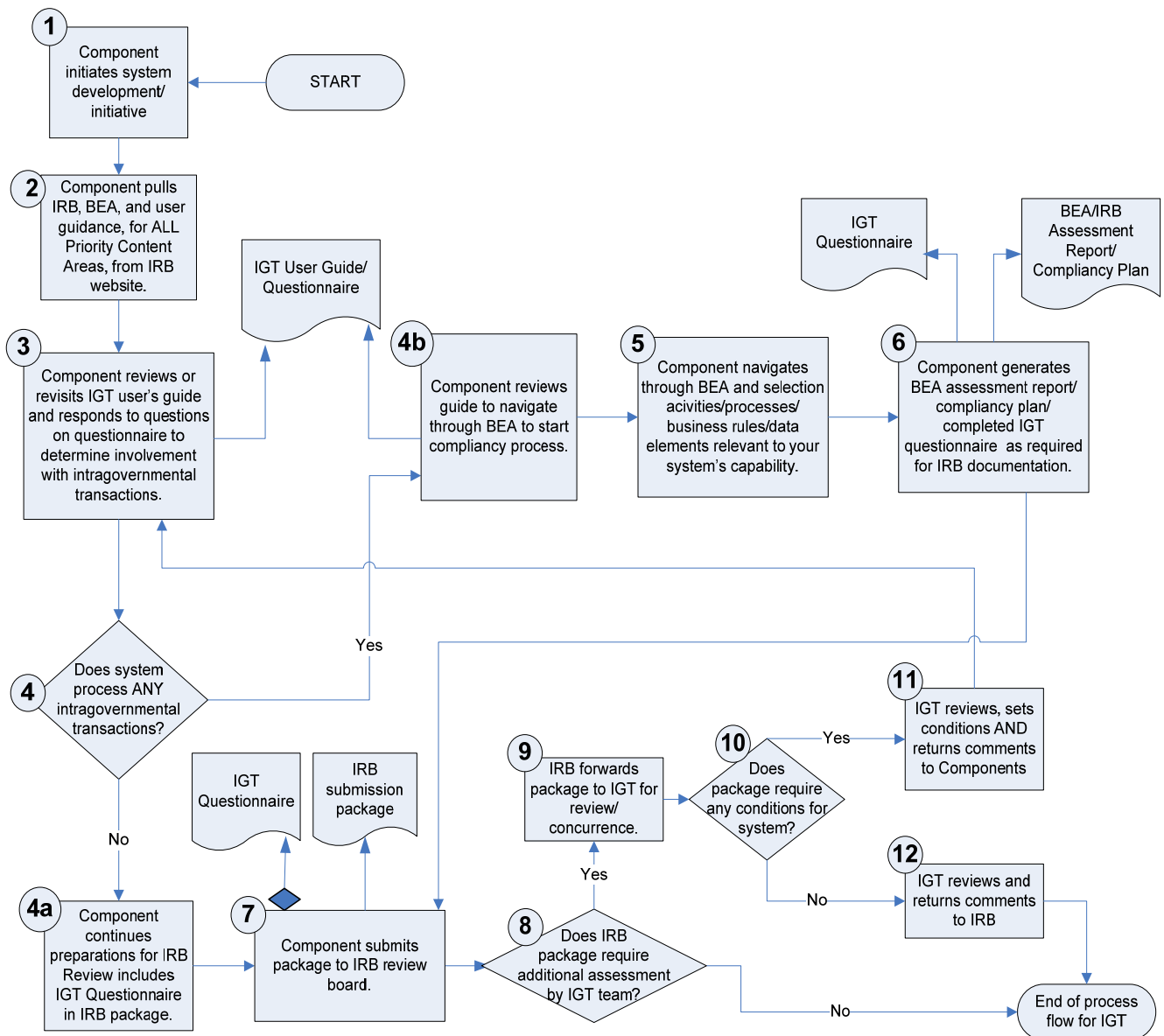
As previously indicated, a "Yes" response to any question on the IGT Questionnaire indicates that the capability of the business system exist to perform or support the IGT reimbursable process, and is now subject to the BEA assessment and assertion compliance review process.

IGT/IRB Presentation Process:

A detail overview of the IGT guide and questionnaire in support of the IRB review process is illustrated below.

¹ Guidance on how to use the ACART tool is provided in the ACART User Guide, https://businesstransformationagency.info/ACARTv2/view/files/ACARTv2_User_Guide.pdf. In the future this tool will contain a reference link to the IGT User Guide and Navigational Tool.





* Note: The Navigational tool guide, reference on step 4, is currently being developed.

Figure 1, IGT/IRB Presentation Process

The following steps identify the IRB certification review process for the IGT assessment:

1. Components establish business case for developing system or initiative.
2. Components prepare for IRB process (i) downloading guidance from the IRB website, following the, (ii) BEA compliance process, and (iii) IGT User Guide.
3. Components review the IGT user's guide and respond to the questionnaire. If applicable, components may need to revisit their IRB Package, once more time, and review any IGT comments.



4. The Components determine if their system supports the IGT capabilities for reimbursable orders.
 - 4a. If Components response “No” to every question it will indicate that the capabilities’ of their business system is not applicable nor support the reimbursable order processes. Then the Components will continue with the IRB preparation process and, if applicable, include the IGT questionnaire with the IRB submission package. The component will then follow step 7.
 - 4b. If Component responds “Yes” to any question, they will follow the procedures in the IGT User Guide to begin the BEA compliancy process.
5. Components will navigate in selecting the relevant IGT processes. The IGT Navigational tool will assist in representing the steps that will select which activities, processes, and business rules support IGT requirements. This tool is currently being develop by the IGT SMEs.
Note: The Component could use the ACART tool to assert if their system capability is compliant or non-compliant against the business rules.
6. After completing the BEA assessment, the Components will generate a report that contains, if applicable, a compliancy plan for requirements on IGT process. This report will contain the IGT questionnaire as a part of the supporting package. .
7. The Component will submit the package to the IRB board for review.
8. The IRB will determine if the package requires additional review or assessment by IGT team.
(Note: This maybe a necessary step if the IRB package does not include a completed IGT questionnaire and/or the IRB package contains a BEA activity that could flag as a possible linked to an IGT process.) If IRB determines that the package does not need the IGT review the IGT/IRB process will end.
9. If “Yes”, IRB forwards the package to the IGT Team for review and concurrence.
10. IGT SMEs perform functional review on the submitted packages. The SMEs determine if the program PCA complies with the following IGT conditions:
 - a. Package includes an IGT Assessment Questionnaire
 - b. Review response on IGT Questionnaire
 - c. Review components IGT Implementation Plan
11. If “Yes”, SMEs will recommend conditions, for the components, in order to be BEA Compliant. The IGT team will then forward the package to the components. (Note: The component will review IGT comments and follow step 3.)
12. If IGT SMEs determine that components are in compliance and conditions are not needed, the team will return assessment, with comments to the IRB Board for their final review.

